

BSG-HESS-7 Please refer to the Bachelder Testimony at p. 7. Hess witness Bachelder states that BSG is not required [by the Department] to plan for GF customers. Please explain in detail your understanding of the Department's policy of an LDC obligation, or its expectation of an LDC, to serve "Essential Needs" customers, irrespective of their capacity assignment status.

Response:

"LDCs are not required to serve customers if the addition of those new customers would increase average costs." D.T.E. 02-75 at 32. Boston Gas Company, D.P.U. 88-67 at 232-283 (1989).

"In DTE 98-32-B at 57-58, the Department stated 'the LDCs must retain their obligation to plan for and procure necessary upstream capacity to serve all firm customers.' This requirement pertains only to existing firm customer; it does not require LDCs to plan their capacity acquisitions for future firm customers. The Department cannot expect the Company's existing firm sales customers to assume the cost responsibility associated with acquiring and maintaining capacity and/or commodity to serve grandfathered transportation customers when they return to default service." DTE 05-75-A at 5.

"...pursuant to section 15 of Bay State's tariff, the Company is not obligated to provide default service to a customer at a level in excess of the TCQ of recallable capacity assigned to a supplier on behalf of that customer." DTE 02-75-A at 6.

Ms. Bachelder is unaware of any distinction the Department has made between essential needs grandfathered customers and non-essential needs grandfathered customers in its decisions in DTE 98-32-B, DTE 04-01, DTE 02-75 or DTE 02-75A.

BSG-HESS-8 Please refer to the Bachelder Testimony at p. 13 -14. Please specifically explain how each of the five process improvements you propose would reduce grandfathered overtakes.

Response:

Please see responses to Hess-1 and Hess-2.

Ms. Bachelder's process improvements would improve data or the timeliness of data used by marketers to forecast daily metered loads, including the amount of capacity assignment volumes for both daily and non-daily metered loads on a more timely basis, Btu factors which impact the delivered quantities, and confirmation between Bay State and the marketer as to which customers are included in the marketer's daily metered pools. With regard to forecasting non-daily metered loads, see BSG-Hess-1. While storage pricing information does not necessarily impact reliability, it does impact on the efficiency of which resource is used. The key is that given two alternatives, one being to make system and program improvements resulting in increased efficiencies and reliability which carry no costs – in fact they can reduce costs to customers – versus the second being BSG's proposal to procure additional capacity, destroying grandfathered status, and increasing costs for such customers, it simply seems counterintuitive to not pursue the first option before resorting to the second.

In DTE 04-01, the Department also specifically encouraged all market participants to bring to the Department's attention ... "any impediments that may hamper the transition to a fully competitive gas market in Massachusetts." Order at 53. Hess takes the Department's invitation seriously and will use every opportunity available to try and improve the efficiency of any LDCs' program.

BSG-HESS-9 How does Hess or its witness, Ms. Bachelder, suggest revising Bay State's intraday nomination provisions in its Distribution and Default Service T&Cs to allow the Company to monitor and act on Supplier under-deliveries at critical times of the day that threaten system reliability?

Response:

In most cases, if it is a critical day, the pipelines do not allow shippers to increase their intra-day nominations, even if they have nominated less than their contractual MDQ. If Bay State sees a deficiency in the marketers' nominations, they should communicate with the marketer to ascertain if the deficiency may be related to an administrative error, if not and if it is a critical day as issued by the pipelines, Bay State can assume that no increase in deliveries will be allowed by the pipeline and Bay State should begin curtailments of customers whose marketers have under-nominated only as a last resort to protect the system.

BSG-HESS-15 Please provide a complete list of LDCs where Hess serves retail natural gas customers.

Response:

Core utilities on which Hess serves retail customers:

1. Northern Utilities (ME),
2. Keyspan Energy Delivery, N.H.
3. Northern Utilities (NH)
4. KeySpan (Boston Gas & Colonial Gas)
5. Baystate
6. New England Gas (Fall River & Attleboro)
7. NSTAR
8. Berkshire
9. Fitchburg Gas & Electric
10. New England Gas (formerly Providence Gas and Valley Gas)
11. Yankee
12. Connecticut Natural Gas
13. Southern Connecticut Gas
14. Central Hudson
15. National Grid
16. National Fuel New York
17. New York State Electric & Gas
18. Rochester Gas & Electric
19. Orange & Rockland
20. Consolidated Edison
21. KeySpan Energy Delivery New York (d/b/a Brooklyn Union Gas)
22. KeySpan Energy Delivery Long Island (d/b/a LILCO)
23. Public Service Electric and Gas
24. Elizabethtown Gas (NUI)
25. New Jersey Natural
26. South Jersey Gas
27. Philadelphia Gas Works
28. PECO
29. UGI
30. Valley Cities
31. PG Energy (now UGI Penn Natural Gas)
32. PPL
33. Dominion Peoples
34. Equitable
35. Columbia of Pennsylvania
36. NorthEast Ohio
37. Dominion East Ohio & Dominion West Ohio
38. Cincinnati Gas & Electric
39. Columbia of Ohio

DTE 06-36
Responses of Hess Corp.
1st Set of Information Requests from Bay State Gas for Hess
Witness: Rebecca Bachelder
September 12, 2006

- 40. Hope Gas
- 41. Allegheny Energy
- 42. Conectiv
- 43. Washington Gas Light (in MD, D.C., & VA)
- 44. Baltimore Gas & Electric
- 45. Columbia of Maryland
- 46. Columbia of Virginia
- 47. Piedmont (NC & SC)
- 48. SCANA

BSG-HESS-36 For each pipeline serving the New England region, please indicate whether daily imbalances are calculated as a percentage of nominated volumes or percentage of a shipper's contract MDQ.

Response:

Imbalances on the interstate pipelines are the difference between what is nominated and what is measured at the city gate meter as delivered or used. The imbalance percent is calculated by dividing the difference by the nomination.

BSG-HESS-37 Please describe in detail Ms. Bachelder's understanding of how Tennessee Gas Pipeline and Algonquin Gas Transmission schedule their system. Please address the circumstance when an entity nominates less than its full MDQ.

Response:

These circumstances allow for the delivering pipeline to sell underutilized space on the secondary market on an interruptible basis, however, we cannot speak to the strategies of the Tennessee and Algonquin pipelines.